

## Message Text

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ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 SSO-00 IO-14 AID-20 IGA-02 EB-11

INT-08 COME-00 OMB-01 TRSE-00 CIEP-02 DOTE-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SPC-03 SS-20 EUR-25 USIE-00 INRE-00

NSCE-00 DRC-01 /166 W

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O 291305Z MAR 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 9947

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PASS OPIC

EO 11652: DECONTROL ON RECEIPT

TAGS: EFIN, EIND, ZA

SUBJECT: TAW: STATEMENT TO PRESS

REF: STATE 62078

1. FOLLOWING IS SUMMARY OF STATEMENT ISSUED MARCH 28  
BY TAW INTERNATIONAL LEASING.

2. BEGIN SUMMARY: CONTRACTS. UNDER MAY 1, 1973,  
GRZ CONTRACT WITH TAW AND RELATED COMPANIES, TAW TO  
PROVIDE MOST EFFICIENT TRANSPORT SYSTEM IN AFRICA THROUGH  
LEASE OF 300 POWERFUL LONG-HAUL, SPECIALLY DESIGNED TRUCKS  
AND 400 STURDY REINFORCED TRAILERS; MAINTENANCE AND  
SERVICE; AND TRAIN 600 - 800 DRIVERS, 200 MECHANICS AND  
MANAGERS TO OPERATE SYSTEM. AT END THREE YEARS GRZ HAD  
RIGHT TO PURCHASE TRUCKS AND TRAILERS AT MODEST PRICE.

3. TAW PERFORMANCE. ORIGINAL DELIVERY DATE  
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SEPTEMBER 1, 1973, BUT CONTRACT ALLOWED FOR DELAYS

BEYOND TAW'S CONTROL, AND GRZ GAVE "CONSTANT ASSURANCES" ORALLY AND IN WRITING MODIFYING ORIGINAL DATE. NOTE DELAYS HAVE OCCURRED AND CONTINUING OCCUR IN VEHICLE DELIVERIES FROM EUROPEAN SUPPLIERS.

4. TAW PERFORMANCE SUPERIOR TO OTHER SUPPLIERS. TAW DELIVERED 34 TRUCKS AND 50 TRAILERS JULY 1973, TRAINED 150 ZAMBIAN DRIVERS, WHO HAVE BEST SAFETY RECORD IN ZAMBIA, AND 30 MECHANICS. THESE TRUCKS AND TRAILERS HAVE BEEN OPERATIONAL 90 PERCENT OF TIME COMPARED TO HISTORICAL AVERAGE OF 50 PERCENT FOR OTHER FLEETS IN ZAMBIA. TAW TRUCKS AVERAGED TWO ROUND TRIPS PER MONTH, OTHERS ONLY ONE.

5. JAN 1974 TAW DELIVERED 27 ADDITIONAL TRUCKS AND TRAILERS WHICH WERE UNCONDITIONALLY ACCEPTED BY GRZ. THOUGH TAW BLAMED FOR DAR BACKLOG, THOSE TRUCKS USED ONLY ONCE. MOREOVER, 34 UNITS WHICH ARRIVED JULY NOT USED FOR ONE MONTH DUE DELAY IN GRZ LICENSING; THEY WERE USED BY GRZ PRIMARILY ON ROUTES OTHER THAN TO DAR; TAW FLEET IS APPROXIMATELY ONE-THIRD OF UNITS ORDERED BY GRZ FROM ALL SUPPLIERS. TAW NOT RESPONSIBLE FOR TRANSPORTATION CRISIS; ALONG MALAMBO ROAD ONE CAN SEE DOZENS UNUSED CONTINGENCY VEHICLES.

6. IN FEB 1974, 100 TRUCKS AND TRAILERS ON DOCK READY FOR SHIPMENT; REMAINDER WERE TO BE READY FOR SHIPMENT IN SEVERAL WEEKS. NETWORK OF WORKSHOPS WERE ESTABLISHED IN SEVERAL LOCALITIES. DRIVER AND MECHANIC TRAINING WAS PROCEEDING. THIS IMPRESSIVE RECORD "IN STARK CONTRAST" TO RECORD OF OTHER SUPPLIERS.

7. CANCELLATION BY GRZ. CANCELLATION CAME "SUDDENLY AND WITHOUT WARNING" FEB 19, LESS THAN ONE MONTH AFTER GRZ UNCONDITIONALLY ACCEPTED 27 UNITS AND LITTLE OVER MONTH AFTER HAVING AGREED IN WRITING TO ACCEPT ALL TRUCKS AND TRAILERS DELIVERED BY TAW. REASON GIVEN WAS TAW FAILURE MEET ORIGINAL DELIVERY DATE LONG SINCE MODIFIED BY GRZ. TAW COUNSEL ADVISED CANCELLATION WAS "WRONGFUL, LIMITED OFFICIAL USE

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UNJUSTIFIED REPUDIATION" OF TAW CONTRACTS "WHICH ENTITLES TAW TO ACTUAL DAMAGES IN EXCESS OF K17 MILLION."

8. TAW IMMEDIATELY REQUESTED MEETING WITH GRZ OFFICIALS. GRZ DELAYED FOUR WEEKS UNTIL MEETING MARCH 19. TAW OFFERED CONTINUE PERFORMANCE, KEEPING OFFER OPEN TO MARCH 28. UNFORTUNATELY, GRZ POSITION DID NOT CHANGE. TAW HAS NO CHOICE BUT TO TAKE MATTER TO ARBITRATION IN LONDON.

9. EFFECT OF CANCELLATION. TAW BELIEVES GRZ POSITION  
"TRAGIC MISTAKE." ZAMBIA BEING DEPRIVED OF TRANSPORT  
SYSTEM CAPABLE OF SOLVING BOTH CURRENT AND FUTURE TRANSPORT  
PROBLEMS. ZAMBIA WILL BE LEFT WITH FLEETS OF EUROPEAN  
EQUIPMENT NOT DESIGNED FOR LONG AFRICAN ROUTES, BADLY  
MAINTAINED, LACKING SPARE PARTS, OPERATING HISTORICALLY  
ONLY 50 PERCENT OF TIME. ONLY POSSIBLE BENEFICIARY IS  
EUROPEAN SUPPLIERS WHO WILL HAVE ADVANTAGE OF REPLACING  
THEIR EQUIPMENT AS IT BREAKS DOWN IN COUPLE OF YEARS.  
CANCELLATION IS VICTORY FOR THOSE WHO SEEK SCAPEGOAT FOR  
ZAMBIA'S TRANSPORT PROBLEMS. COST TO ZAMBIAN PEOPLE  
"NOT JUST IN TERMS OF MONEY BUT ALSO TERMS OF  
TRANSPORTATION INDEPENDENCE, IS ENORMOUS." END SUMMARY.)

10. FULL TEXT BY POUCH.

11. TAW ALSO ISSUED SEPARATE PRESS RELEASE ON REMARKS  
MADE BY TAW PRESIDENT TO  
WOOD. RELEASE COVERED  
SAME GROUND IN BRIEFER FORM. ONLY NEW POINTS WERE WOOD  
ASSERTION HE CONFIDENT TAW DAMAGE CLAIM WOULD BE  
SUCCESSFUL, TAW HAD ANTICIPATED FOUR ROUND TRIPS  
PER MONTH TO DAR COMPARED TO ONE FOR OTHER FLEETS, AND  
GRZ DECISION TO CANCEL MADE BY INEXPERT GRZ AUTHORITIES  
WHO "NOT WELL ADVISED BY THEIR CONSULTANTS." FULL TEXT  
BY POUCH.  
NELSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRUCKS, PERSONNEL TRAINING, TRUCKING COMPANIES, CONTRACTS, TRAILERS, LEASES, INDEMNIFICATION, DEBTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LUSAKA00567  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740069-0376  
**From:** LUSAKA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974034/aaaaadnr.tel  
**Line Count:** 143  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 62078  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 JUN 2002 by kelleyw0>; APPROVED <31 JUL 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TAW: STATEMENT TO PRESS  
**TAGS:** EFIN, EIND, ETRN, ZA, TAW  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005